



February 20, 2015

The Honorable George E. Wallace, Mayor  
Members of City Council  
City Hall  
22 Lincoln Street  
Hampton, VA 23669

RE: Mid-Year Report

Dear Mayor Wallace and Members of City Council:

It has been one year since I had the honor of being appointed as your City Attorney and I wanted to give you an update on some of the changes that have occurred in the City Attorney's Office. The City Attorney's Office is proud to support the mission of the City by providing quality legal services to the City Council, City departments, City employees, City boards and commissions, the Commissioner of the Revenue, the Assessor of the Real Estate, the Treasurer and the Economic Development Authority. This letter serves as a Mid-Year Report for July 1, 2014 through December 31, 2014. In the future these reports will be delivered to you on an annual basis and will address the prior fiscal year's accomplishments and provide more information regarding the effectiveness and efficiency of our service delivery.

#### Introduction

The City Attorney's Office consists of the City Attorney and 9 other attorneys, all experts in one or more areas of municipal law, supported by four paralegals, a F.O.I.A. Coordinator who is also a paralegal, and two highly trained and customer oriented legal support personnel who also perform paralegal services. This office also supervises the City's Risk Management Division.

#### Team System Implemented

When I became City Attorney, I organized the office into two functional teams each led by a Senior Deputy who supervises the work of the team and provides and coordinates training and mentoring to the team's attorneys. The team concept was designed to provide cross training and back-up so the office is at least "two deep" in the core areas we handle. I also supervise and assist a Deputy Attorney in the area of finance to include our Commissioner of the Revenue, the Assessor of the Real Estate and the Treasurer and mentor an Assistant City Attorney in the areas of land use, real estate and economic development. We are also providing more personalized legal services to HPD and Fire by allowing two of our attorneys to embed with the divisions. These attorneys are hands-on with the police officers and firefighters and their respective administrations.

#### Cost Saving Measures

##### **Legal Services Brought In-House**

Since July 1, the City Attorney's Office took over the representation of the Economic Development Authority and most recently, representation of the Treasurer in judicial and non-

##### **City Attorney's Office**

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judicial tax sales. These recent changes will save the City thousands of dollars in outside legal fees. Additionally, as of this month, our office will also prosecute gateway state misdemeanors with the permission of the Commonwealth's Attorney and the City Council.

### **Cost-Sharing With Other Departments**

In order to meet the demand for legal services within our budget constraints, our office arranged for cost-sharing of attorney and paralegal positions and offices resources essential to direct legal service delivery

1. 1 attorney position and 1 paralegal position – funded by Public Works (Stormwater Management)
2. 1 attorney position – 50% funded by Risk Management
3. 1 attorney position – partly funded by Department of Finance
4. 1 paralegal position – funded by Treasurer for judicial and non-judicial tax sales
5. Westlaw legal research services, PACER, and RICOH copier services – 50% funded by Risk Management

### **Key Service Delivery Data**

The following statistics are intended to show the present cost and allocation of legal resources. As of July 1, 2014, we started recording the total number of legal service hours provided in-house by the attorneys and paralegals. The data submitted in this report shows that the cost for in-house legal service delivery is substantially below the costs required to obtain legal services from private law firms.

In order to analyze the data, we obtained the hourly cost for the outside counsel used by the City and averaged the hourly rates. We also averaged the billing rate for the in-house staff members based on their salaries plus 40% for benefits. The average hourly rate for the city attorneys, plus 40% benefits and including my salary, is \$67.80. For paralegals, the average hourly rate is \$27.44. By contrast, the average hourly rate of the outside legal counsel is \$295.44 and \$97.50 for their paralegals.

From July 1, 2014 through December 31, 2014, this office directly provided 5,782.38 total hours of legal service (4,433.03 in attorney hours and 1,349.35 in paralegal hours). This number does not include hours spent completing administrative tasks, supervision of attorneys by senior attorneys, professional development, or training. It only reflects direct legal service time to clients.

As shown on the attached chart, if the 5,782.38 hours in-house legal services had instead been provided by outside counsel, the cost to the City would have been \$1,441,256.00. At the in-house rate, the cost was \$337,586; generating \$1,103,670 in savings.

I will continue to focus on keeping total legal costs for the City low by performing as much work as possible through the utilization of our in-house attorneys. Key hires since July 1, 2014 have allowed us to take on more litigation and fulfill the demands of our ever growing F.O.I.A. requests.

### Outside Counsel for Litigation

Outside legal fees for the July 1, 2014 through December 31, 2014 period totaled \$218,607.24. Service hours delivered by outside counsel were far less than in-house attorneys and focused on 10 cases, 9 of which have been ongoing litigation from past fiscal years.

It is always our intention to minimize the use of outside counsel wherever possible. Outside counsel is utilized primarily in cases where a conflict of interests prevents us from representing multiple City-related parties in litigation or where specialized legal services beyond the core competency of our in-house attorneys are required.

### Legal Service Hours to Major Departments

Although the City Attorney's Office represents all City departments as well as its major boards and commissions such as the Planning Commission, the Economic Development Authority and the Hampton Federal Area Development Authority, some departments consume a substantial amount of service hours which overlap team function areas. The majority of legal service hours were devoted to Community Development (includes Planning, Zoning, Code Enforcement and Development Services Center, BZA, and Planning Commission) , Public Works (include engineering, traffic, operations, steam plant and wastewater), Police Division, Social Services, Economic Development (includes the EDA), City Council (meetings, citizen and Council inquiries requiring advice) ,City Manager, Fire, and Animal Control.

Other statistics that may be of interest for this six month period include the following:

- F.O.I.A requests- 558
- Medical records requests-96
- Subpoena Duces tecum -67

### Risk Management Claims Supervised by City Attorney's Office

- Workers Compensation Claims- 281
- Other Liability Claims- 171

The City Attorney's Office continues to be committed to providing the highest quality legal service at the lowest possible costs to the Hampton taxpayers. We look forward to continuing our work supporting key City services and City Council objectives.

If you have any questions about the information provided here, please call on me. Thanking you for allowing the office of the City Attorney to be of service, I am

Respectfully yours,  
Vanessa T. Valldejuli  
City Attorney

cc: Mary B. Bunting, City Manager  
Katherine K. Glass, Clerk of Council

# CITY ATTORNEY'S OFFICE | 2015 MID-YEAR REPORT

## TEAM STRUCTURE

LITIGATION 👤👤👤👤👤	DEVELOPMENT 👤👤👤	FINANCE 👤👤	SUPPORT STAFF 👤👤👤👤👤👤👤
5 Attorneys (2 vacancies filled in last 6 months)	3 Attorneys	1 Attorney overseen by City Attorney	5 Paralegals & 2 Legal Assistants doing paralegal work

## 6-MONTH COST SNAPSHOT

TOTAL FY 2015 DEPARTMENT BUDGET: \$995,594

	HOURS BILLED July 1-Dec. 31*
Attorney Time (7 Attorneys)	4,433.03
Paralegal Time (2.5 Paralegals)	1,349.35
TOTAL	5,782.38

\*Does **not** include time billed to CAO for supervision by senior attorneys, professional development, training, or file/record management, only direct service hours

	COST TO CITY
@ Average Outside Counsel Rate (\$295.44/hr attorneys; \$97.50/hr paralegals)	\$1,441,256.00
@ Average CAO Salaried Rate* (\$67.80/hr attorneys; \$27.44/hr paralegals)	\$337,586
SAVINGS OVER 6 MONTHS	\$1,103,670

\*Average rate based upon salaries plus 40% added for benefits

